

STATE OF MISSISSIPPI

OFFICE OF THE GOVERNOR

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FOR IMMEDIATE RELEASE

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STATEWIDE <u>SUPPORT VOICED FOR</u> GOVERNOR BARBOUR'S HEALTH INSURANCE EXCHANGE <u>INITIATIVE</u>

(JACKSON, Mississippi) — Governor Haley Barbour was joined <u>today</u> by <u>doctors, small</u> <u>business owners and leaders of the pro-life community in support of his initiative to create a Mississippi Health Insurance Exchange that could extend health benefits to thousands of small businesses and their employees.</u>

<u>Flanked by (NAME)</u> of the Mississippi Medical Association; Barbara Whitehead of the state-affiliate to National Right to Life; and <u>Angie Cain of the Mississippi Association of Realtors</u>, <u>Governor Barbour said his proposal addressed a critical issue</u>.

"Affordable health insurance is a critical issue in our state, which has an alarmingly high rate of uninsured residents. Today's endorsements <u>underscore the fact</u> that action must be taken to ensure hard-working Mississippians have the healthcare they deserve," Governor Barbour said.

"As we explore new ways of trying to fill this gap in the healthcare system, we should look to the benefits of a health <u>insurance</u> exchange program, which include reducing administrative costs and paperwork, and providing workers with a broader choice of coverage plans, insurance portability, and tax benefits," he <u>said</u>.

Nearly 134,000 Mississippians work for small businesses that do not offer employer-sponsored health insurance. Creation of a Mississippi Health Insurance Exchange program is seen as a major step toward giving employees of small businesses more access to health insurance at more affordable rates.

Governor Barbour's Mississippi Health Insurance Exchange Program is designed to provide Mississippians a way to buy, own, and keep health insurance from job to job. <u>Under his proposal</u>, the state-authorized health insurance exchange <u>would</u> function as a market clearinghouse for health insurance options, and participation would be entirely voluntary. For small businesses, the exchange would serve in an administrative role similar to a human resources department at a larger business.

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Employers should be able to purchase health plans of their choice, while taking advantage of the existing tax benefits of employer-based health insurance. In a "health insurance exchange," a Mississippi business would contribute a pre-designated amount of money toward the cost of an employee's health insurance. By designating the "exchange" as the employer's health plan, the contribution becomes tax-free to the small business owner, and the health benefits are tax-free to the employee.

"While the Health Insurance Exchange is not a complete cure for the rising cost or availability of health insurance, it could offer increased coverage options and flexibility for employers," Governor Barbour said. "I urge members of the Legislature to support this proposal. Let's help more Mississippians who work for small businesses finally have affordable private health insurance."

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